

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W. R. GRACE & CO., <u>et al.</u> , ¹)	Case No. 01-01139 (JKF)
)	Jointly Administered
Debtors.)	Related Docket No. 936

**DEBTORS' TWENTY-SECOND QUARTERLY REPORT OF SETTLEMENTS
FROM OCTOBER 1, 2006 THROUGH DECEMBER 31, 2006 IN ACCORDANCE
WITH THAT CERTAIN AMENDED ORDER AUTHORIZING AND
APPROVING AN OMNIBUS PROCEDURE FOR SETTTLING CERTAIN
CLAIMS AND CAUSES OF ACTION BROUGHT BY OR AGAINST THE
DEBTORS IN A JUDICIAL, ADMINISTRATIVE, ARBITRAL OR OTHER
ACTION OR PROCEEDING**

PLEASE TAKE NOTICE that, pursuant to that certain "*Amended Order Authorizing and Approving an Omnibus Procedure for Settling Certain Claims and Causes of Action Brought by or Against the Debtors in a Judicial, Administrative, Arbitral or Other Action or Proceeding dated September 18, 2001*" (the "Order"), the Debtors are to file with the Court a list of the settlements made by the Debtors for the period of October 1, 2006 through December 31, 2006 (the "Settlement Period"),

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

including the names and addresses of the settling parties, the types and amounts of the settlements and the nature of the settlements, including the amount of any monetary payments received by the Debtors. The list of such settlements made during the Settlement Period is attached hereto as Exhibit A.²

PLEASE TAKE FURTHER NOTICE that, in accordance with the Order, none of the settlements listed on Exhibit A attached hereto required the Debtors to provide Negative Notice to any parties.

² Exhibit A to this Report does not list any settlements made during the Settlement Period that have previously been the subject of filings with the Court.

PLEASE TAKE FURTHER NOTICE that the Debtors may have settled claims or causes of action during the Settlement Period that inadvertently have not been listed on Exhibit A. In that case, such settlements will be disclosed in future reports filed with the Court.

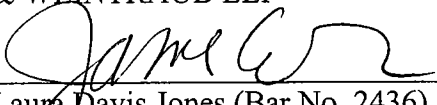
Dated: January 24, 2007

KIRKLAND & ELLIS

David M. Bernick, P.C.
Janet S. Baer
200 East Randolph Drive
Chicago, Illinois 60601
Telephone: (312) 861-2000
Facsimile: (312) 861-2200

and

PACHULSKI STANG ZIEHL YOUNG JONES
& WEINTRAUB LLP



Laura Davis Jones (Bar No. 2436)
James E. O'Neill (Bar No. 4042)
919 North Market Street, 17th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-Counsel for the Debtors and Debtors in
Possession